(24,921)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1915.

No. 638.

HENRY BRIGGS, APPELLANT,

vs.

UNITED SHOE MACHINERY COMPANY.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

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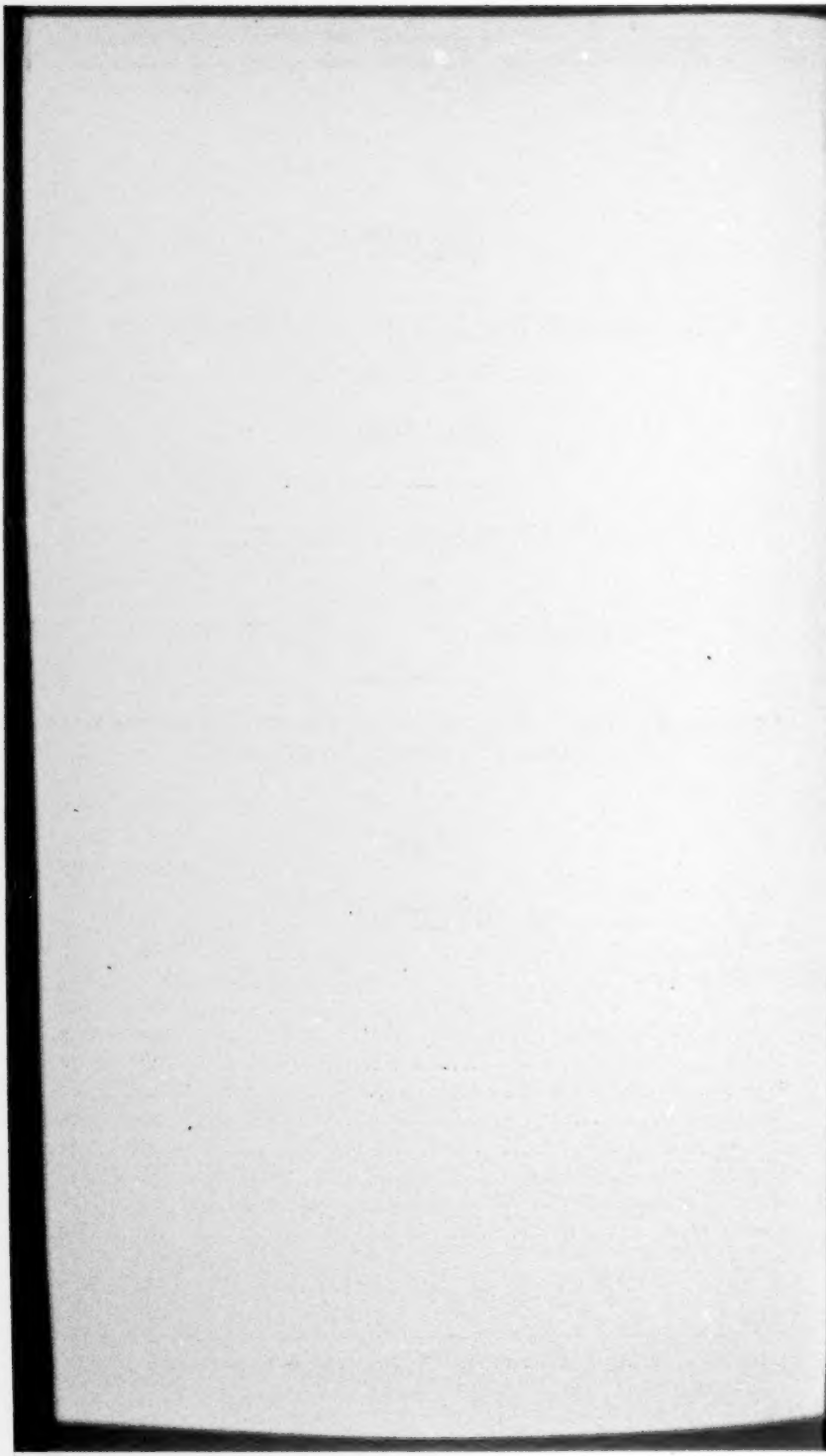

1 District Court of the United States for the Southern District of New York.

HENRY BRIGGS, Plaintiff,
against
UNITED SHOE MACHINERY COMPANY, Defendant.

UNITED STATES OF AMERICA, *ss*:

To United Shoe Machinery Company, Greeting:

You are hereby cited and admonished to be and appear at the Supreme Court of the United States, to be held at the City of Washington, in the District of Columbia, on the first Monday of October, A. D. 1915, pursuant to an order allowing an appeal filed and entered in the clerk's office of the district court of the United States for the southern district of New York, from a final decree signed, filed and entered on the 27th day of August 1915 in that certain suit, being in Equity No. E 12-314, wherein Henry Briggs is plaintiff and you are defendant and appellee, to show cause, if and there be, why the decree rendered against the said appellant, as in said order allowing appeal mentioned, should not be corrected and why justice should not be done to the parties in that behalf.

Witness the Honorable Julius M. Mayer, United States District Judge for the Southern District of New York this — day of September, 1915, and of the independence of the United States the one hundred and fortieth.

JULIUS M. MAYER,
Judge of the District Court of the United States for the Southern District of New York.

Service acknowledged—

ALAN MANN,
By W. E. McK.
Solicitor for Defendant.

1½ [Endorsed:] E 12-314. District Court of the U. S. Southern District of New York. Henry Briggs, Complainant, against United Shoe Machinery Company, Defendant. Citation. King & Osborn, Attorneys for Complainant, No. 165 Broadway, Borough of Manhattan, New York City. U. S. District Court, S. D. of N. Y. Filed Sept. 13, 1915.

2 District Court of the United States for the Southern District of New York.

In Equity.

HENRY BRIGGS, Complainant,
against
UNITED SHOE MACHINERY COMPANY, Defendant.

Certificate.

This cause came on to be heard upon the Bill of Complaint and a motion to dismiss filed by the defendant upon the ground that this court had no jurisdiction for the reasons set forth in the motion to dismiss.

Now, therefore, it is certified that the question of the jurisdiction of this court upon the grounds stated, to wit: that the cause set forth in the complainant's Bill amounts to an action for royalties only and that it is not a suit arising under the patent laws, and as the Bill shows the complainant and the defendant are citizens of the same state, I have found that this court has no jurisdiction and it was my duty to dismiss the bill, which was accordingly done.

Another question raised by the bill was to have a patent, which had been issued by the Patent Office, declared void. I was of the opinion that such a proceeding could only be instituted at the instance of the Government itself and that this court had no jurisdiction of such a question when presented by private parties, and for this reason also this court had no jurisdiction and
2½ I have so held.

I further certify that these are the only questions arising upon the pleadings and decided in the case and now certified to the Supreme Court of the United States for its decision.

This Certificate is granted at the term in which the judgment herein was rendered and entered.

Dated, New York, September — 1915.

JULIUS M. MAYER,
U. S. D. J.

Notice for the application of this certificate is hereby waived.

ALAN N. MANN,
Solicitor for Defendant.

2¾ [Endorsed:] E 12-314. U. S. District Court Southern District of N. Y. Henry Briggs, Complainant, against United Shoe Machinery Company, Defendant. Certificate. King & Osborn, Attorneys for Complainant, No. 165 Broadway, Borough of Manhattan, New York City. U. S. District Court. S. D. of N. Y. Filed Sep. 13, 1915.

3 *Equity Subpœna.*

The President of the United States of America to United Shoe Machinery Company, Greeting:

You Are Hereby Commanded to appear before the Judges of the District Court of the United States of America for the Southern District of New York, in the Second Circuit, to answer a bill of complaint exhibited against you in the said Court in a suit in Equity, by Henry Briggs, and to further do and receive what the said Court shall have considered in this behalf; and this you are not to omit under the penalty on you of two hundred and fifty dollars ($250).

Witness, Honorable Charles M. Hough, Judge of the District Court of the United States for the Southern District of New York, at the City of New York, on the 28th day of June, in the year one thousand nine hundred and fifteen and of the Independence of the United States of America the one hundred and thirty-ninth.

ALEX. GILCHRIST, JR., *Clerk.*

KING & OSBORN,
Plaintiff's Sol'rs.

The defendant is required to file its answer or other defense in the above cause in the Clerk's office of this Court, on or before the twentieth day after service hereof excluding the day of said service; otherwise the aforesaid bill may be taken pro confesso.

3½ [SEAL.] ALEX. GILCHRIST, JR., *Clerk.*

Endorsed:

I hereby certify that on the 28th day of June, 1915, at the City of New York, in my district, I served the within Subpœna in Equity upon the within-named Defendant, United Shoe Machinery Company, by exhibiting to George F. Wolfe, as Agent of said Company, at their place of business, No. 39 Warren St., N. Y. City, the within original and at the same time leaving with him a copy thereof.

Dated June 29, 1915.

THOS. D. McCARTHY,
United States Marshal,
Southern District of New York.

U. S. District Court, S. D. of N. Y. Filed Jun- 29, 1915.

4 District Court of the United States for the Southern District of New York.

HENRY BRIGGS, Plaintiff,
against
UNITED SHOE MACHINERY COMPANY, Defendant.

To the Honorable the Judges of the District Court of the United States in and for the Southern District of New York:

Henry Briggs, a citizen of the State of New Jersey, brings this his Bill of Complaint against the United Shoe Machinery Company, a corporation organized under the laws of the State of New Jersey, and carrying on its business in the State of New York, in the City of New York, and having one George F. Wolfe its duly designated agent at No. 39 Warren Street, New York City, on whom process may be served for defendant, as required by the law of the State of New York.

I. Your orator respectfully shows to this Honorable Court that he is the inventor and patentee of certain improvements in chain-stitch welt and turn sewing machines, for which certain patents have been issued to him, as hereinafter set forth.

II. There was issued to your orator by the United States Government, Patent No. 461,793, dated October 20, 1891, for a novel method of setting and forming chain-stitches with thread, to connect pieces of leather, or other material. This patent was as-
5 signed to the Goodyear Shoe Machinery Company of Hartford, Connecticut, which company was engaged largely in the manufacture of shoe sewing machines, and embodied the improvements covered by your orator's patents and inventions in all shoe sewing machines thereafter manufactured by it, and the said inventions are the well known and established methods used in the manufacture of shoe sewing machines in the trade.

III. That some time prior to 1900, the said Goodyear Shoe Machinery Company was absorbed by and merged into the United Shoe Machinery Company, the defendant herein, which latter company has continued the manufacture of said shoe sewing machines with your orator's said inventions and improvements embodied therein, under the name of the "Goodyear Welt and Turn Shoe Sewing Machine."

IV. That during the years 1899 and 1900, your orator made certain other inventions and improvements in such shoe sewong machine, for which he filed applications for patents in the Patent Office at Washington as Serial No. 706,478, filed February 23d, 1899, and Serial No. 17,368, filed May 31, 1900. While these two applications were pending in the Patent Office at Washington, this defendant, being desirous of purchasing said inventions and also of purchasing all other inventions or improvements applicable to said shoe sewing machines which your orator should thereafter invent or make, did, on February 1, 1901, enter into a contract with your orator by which it agreed to purchase such letters patent as should

be granted upon said two pending applications, and all letters patent which should be granted by the United States Government, or by any other government, for the inventions or improvements by your orator applicable to said machine, and "for all im-
6 provements on said machine" which your orator should thereafter invent or make.

V. That the defendant by said contract agreed and promised to cause said applications for letters patent of the United States to be prosecuted to allowance, with all reasonable diligence, and upon the allowance of the same and the assignment by your orator to defendant of his entire interest in said inventions and all letters patent which may be granted for said inventions, or any of them, to pay your orator ten thousand ($10,000) dollars; and defendant further contracted, agreed and promised to forthwith proceed to manufacture and offer for sale or lease the said shoe sewing machines described in the two applications then pending in the Patent Office (and for which patents were subsequently issued October 15, 1901), with certain of the inventions or improvements made to the same, by your orator, embodied therein, for and during the entire life of the latest of said patents to expire, to wit: until October 15, 1918, and to pay your orator a royalty of thirty dollars for each machine manufactured and sold, leased or otherwise disposed of during the entire life of said patents.

VI. That defendant further promised and agreed to keep accurate accounts of the number of such machines sold, leased or otherwise disposed of by it, and to render true reports to your orator of the same on the first of January and July of each year, and to pay your orator the royalties due thereon for each preceding six months.

VII. That defendant further promised and agreed to cause applications to be prepared and filed in your orator's name for the grant of letters patent in the United States and in other countries
7 for all inventions and improvements applicable to said sewing machine, which your orator should thereafter make, and to prosecute the same to allowance, with all due diligence, and procure letters patent for the same, and to pay all expense attendant upon such proceedings, such letters patent to be assigned by your orator to the defendant.

VIII. Your orator, in consideration of said agreements and promises, and relying upon the good faith of the defendant and its officers and counsel in connection therewith, and with the inventions and patents of your orator, agreed to all of said terms in said contract, and agreed to communicate from time to time to defendant, its officers or counsel, all inventions or improvements he should make applicable to said shoe sewing machine, and to explain the same in such manner that they could be reduced to practice and embodied in the said machine, and to sign such applications for patents as should be necessary, and to do all that should be reasonable and proper in the opinion of counsel for defendant to secure letters patent on such inventions or improvements, and to assign the same to defendant when granted.

IX. That there was granted to your orator two letters patent upon

the two applications pending at the time of said contract, February 1, 1901, by the United States, known as Nos. 706,478 and 684,537, both dated October 15, 1901, and both assigned to defendant, and in consequence, the said contract of February 1, 1901, between your orator and the defendant extends to October 15, 1918, which is the life of said patents.

X. Your orator, still relying upon the promises and
8 agreements of defendant in its contract of February 1, 1901, and trusting in its good faith in its dealings with your orator, did, from time to time, conceive and work out novel inventions and improvements to the various parts of said shoe sewing machine and did report same to defendant and its counsel and did entrust it and them with full and complete information as to same and did explain same in such manner that it has been able to reduce same to practice and to have its counsel and attorneys prepare applications for letters patent therefor. Your orator has in the faithful execution of his agreements in said contract, signed all such applications and sworn to same, and performed all such acts as have been deemed necessary and reasonable by defendant's counsel to secure the grant of letters patent for all such inventions and improvements; and defendant has, through its patent attorneys, prosecuted some of said applications to a patent, to wit: one on December 3, 1901, No. 687,719, one on July 2, 1912, No. 1,020,867, this being on an application prepared by defendant's attorneys and signed and sworn to by your orator and filed January 20, 1903. Again in 1904 and 1905, your orator conceived other novel and valuable improvements and inventions which he reported to defendant and about which he gave it full information so as to enable it to have *it* thoroughly tried out and tested in its shops during 1905 and 1906, and for which defendant afterward had its attorneys prepare an application for a patent, which your orator signed and made oath to on November 16, 1906, and which was filed in the patent office at Washington on November 24, 1906, and was prosecuted by defendant's attorneys to allowance on
May 8, 1912. But defendant, although notified by letter
9 from the Commissioner of Patents of such allowance on May 8, 1912, in violation of its contract, and of its good faith with your orator, failed and refused to take out said patent.

XI. Your orator, on information and belief, alleges that defendant at the date of said allowance of patent to your orator, May 8, 1912, had manufactured and disposed of more than two thousand shoe sewing machines (described in its contract of February 1, 1901 with your orator) in which it had embodied the inventions and improvements contained in your orator's application of November 24, 1906, or some of them, and on which there was due and owing to your orator from the defendant more than sixty thousand ($60,000) dollars at that date. Defendant has continued the manufacture and lease of said machines embodying said inventions, and is now continuing the same and has disposed of several thousand such machines, the exact number is to your orator unknown, on which there is due and owing to your orator royalties, amounting to a large sum, being more than one hundred thousand ($100,000)

dollars. Your orator charges that it was for the purpose of defrauding your orator out of said royalties and all future royalties on said machines and improvements by your orator that defendant refused to pay the said final fee of twenty ($20) dollars to the Commissioner of Patents and take out the patent allowed your orator on May 8, 1912, or to inform your orator that said patent had been allowed by the Commissioner of Patents.

XII. Your orator charges, that the aforesaid contract, good faith and fair dealing demanded that defendant pay said fee of twenty ($20) dollars and should have taken out patent allowed on your orator's said application of November 24, 1906, and that as to this matter, defendant was acting in a fiduciary capacity for your orator, and as a trustee, and that it was guilty of a gross breach of trust and a betrayal of the confidence and trust reposed in it and in its officers and counsel by your orator, by its said contract.

XIII. Your orator further charges that in addition to and a further aggravation of defendant's conduct in refusing to pay said final fee of twenty ($20) dollars and refusing to take out said patent of May 8, 1912, and refusing to inform your orator that same had been allowed, the defendant, in furtherance of its plans and schemes to defraud, assumed an active and aggressive position of antagonism toward your orator, in violation of its trust, and, secretly and without your orator's knowledge, caused its said attorneys (who had filed said application for your orator on November 24, 1906, and had prosecuted same through the patent office for nearly six years to an allowance) to write to the Patent Office in June, 1912, asking the Commissioner of Patents to withdraw from allowance your orator's said application on the ground that there was an interference therein with an application filed by said attorneys for defendant, on March 11, 1912, for one Andrew Eppler, an employee of defendant, and said allowance was thereupon withdrawn on July 1, 1912 by the Commissioner of Patents, all of which was without your orator's knowledge or consent.

XIV. Your orator further charges that defendant in furtherance of its scheme to defraud, and in flagrant violation of the confidence and trust reposed by your orator in its officers and counsel, and in violation of the fiduciary relation it occupied as to your orator's inventions entrusted to it, did cause its same attorneys, who had up to that time, represented your orator's interests before the Patent Office in Washington, to file an application on March 11, 1912 in the name of one Andrew Eppler, an employee of defendant, for a patent on five important and valuable claims contained in your orator's application filed by said attorneys on November 24, 1906.

Said attorneys of defendant, just eight days after the filing of said application in the name of said Eppler, did, nevertheless, on March 19, 1912, write a letter to the Commissioner of Patents asserting that your orator "was entitled to a patent on his application of November 24, 1906," and on May 8, 1912, the Commissioner of Patents notified said attorneys that such allowance was made. Not-

withstanding all these facts, the same attorney wrote the letter in June, 1912, to the Commissioner of Patents asking said allowance be withdrawn.

XV. Your orator charges, and alleges upon information and belief, that the said Andrew Eppler was an employee of defendant, and that under an agreement and arrangement between him and the defendant, any and all inventions or improvements by the said Eppler, applicable to said shoe sewing machine, went to and became the absolute property of defendant, free from any claim or compensation to said Eppler. The application of March 11, 1912, filed in the name of the said Andrew Eppler, was for the benefit of defendant, and the patent subsequently secured thereon was issued to the said Andrew Eppler, assignor of the United Shoe Machinery Company, this defendant, and alleges that his inventions and improvements set forth in his application of November 24, 1906, were worked out in the shops of defendant where the said Eppler had
12 free access to same, and that the plans of your orator's inventions were drawn and prepared by defendant's draftsman in its offices, and that same were tested and tried out in defendant's works, for more than a year previous to the making of any machine embodying same and long previous to the filing of your orator's application for same; and the said Eppler and defendant well knew all of these facts.

XVI. Your orator further alleges upon information and belief, that in consequence of said letter of said attorneys of defendant, the Commissioner of Patents did on July 1, 1912, withdraw from the issue files said allowance of patent to your orator, and said attorneys of defendant did, then and there, on July 16, 1912, cause an interference proceeding to be started, known in said office as No. 35,033, and the said attorneys did continue to represent in said proceedings, both your orator and the said Andrew Eppler, though their applications were directly in conflict. All this was without your orator's knowledge or consent, and was done by defendant for the purpose of defrauding your orator out of his said inventions and out of the royalties then justly due him on the machines already disposed of by defendant as well as those to be disposed of during the continuance of said contract of February 1, 1901, up to October 15, 1918.

XVII. Your orator further alleges upon information and belief, that this conduct of defendant's attorneys in attempting to represent both your orator and the said Eppler in the interest of the defendant, in said interference proceedings, was so flagrantly improper
13 that the Patent Office took official notice of the same and wrote to your orator informing him of said proceedings, which letter having been sent to a wrong address, was returned to the Patent Office undelivered to your orator, and the Commissioner thereupon on August 1, 1912, wrote another letter to defendant's attorneys, demanding that they furnish that office with your orator's correct address within ten days from that date. In pursuance of the reply from said attorneys, the Commissioner then wrote your orator another letter informing him of these proceedings, and that the same attorneys were representing both parties thereto, and this letter

was addressed to your orator, to the care of said attorneys at their office in Boston, Massachusetts, but said letter was never delivered to your orator, nor did he ever hear of same, until he went to the Patent Office this year and there saw the copy thereof.

XVIII. Some time during the latter part of the summer of 1912, while your orator was at his camp in the State of Maine, he received a letter from said attorneys informing him of these interference proceedings, and stating that said Eppler was claiming to be a prior inventor of five claims in an application by your orator, and asking your orator to call at their office in Boston and give a preliminary statement as to the date of his invention. Your orator was not informed as to what application was referred to, and wrote said attorneys that he could not come to Boston at that time but would do so later. Said attorneys wrote your orator again and asked if he would sign such papers as they would prepare if sent to him.

14 Your orator replied he would be in Boston in November on his way home, and would call at their office then, in reference to the matter.

XIX. Your orator, still confiding in and trusting defendant, did call at the office of said attorneys of defendant in Boston, early in November, 1912, and there learned what application for patent it was that it was claimed interfered with Eppler, but your orator was not then informed that a patent had already been allowed him on said application. Thereupon your orator gave his preliminary statement showing the date of his conception of said invention and all the information asked for, and testifying that he was the prior inventor of said claims, and said statement was taken down in shorthand by the stenographer of said attorneys, and as your orator then believed, was put in typewriting and presented to him for signing, and as he then believed, was signed by him.

XX. That your orator received no further information from the defendant or its said attorneys, or any one else, of the said matter, until he received a copy of the patent issued him on said application dated May 26, 1914. That your orator then discovered that the five claims which were alleged to interfere with Eppler's said application had been stricken out of your orator's patent and a patent issued him for the remaining claims in his application of November 24, 1906. All of which had been done without your orator's knowledge or consent, and was done by defendant through its said attorneys, who were at one and the same time pretending to be representing your orator in said interference proceedings, and were also actually representing the said Andrew Eppler, assignor of defendant, whose claims conflicted with your orator's application.

15 XXI. That your orator caused the records of the Patent Office to be examined thereafter and found that no preliminary statement made by him has been filed in said interference proceeding with Eppler, but instead there was on file with said papers a typewritten paper entitled "Concession of Priority," purporting to be signed by your orator, in which priority of invention of all said conflicting claims is apparently conceded by your orator to the said Andrew Eppler, with the request that the patent issue to him for the

same, and waiving appeal therefrom; that the paper does not show where it was written, nor where it was signed, and has no witness to it, nor is it acknowledged before any one; that there is nothing in the files of the interference proceedings to show by whom it was filed or how it reached the Patent Office, as your orator is informed and believes.

XXII. That at the time said examination was made for your orator of the files of the Patent Office there had not been any patent issued to the said Andrew Eppler on said claims stricken from your orator's patent, and your orator was preparing to petition for a rehearing in said proceedings and for a re-issue of the patent issued to him on May 26, 1914, and such preparation was, as your orator is informed and verily believes, known to the defendant and its attorneys. But that before your orator could properly prepare and file such application after his aforesaid examination, the defendant procured a patent to be issued to said Andrew Eppler, assignor of the defendant, the United Shoe Machinery Company, said patent being dated June 8, 1915, and numbered 1,142,157.

XXIII. That your orator is informed, believes and alleges
16 that the said Andrew Eppler was, during all the times herein mentioned, an employee of the defendant, working in its establishment at Boston, Massachusetts, and in its pay, and that by the terms of his said employment, any and all patents taken out by him for inventions and improvements applicable to shoe sewing machines belong to this defendant, and it has the sole interest in the same free from any royalty to said Eppler or any remuneration to him, other than his regular salary as an employee of the defendant. The said Andrew Eppler is not within the jurisdiction of this honorable court.

XXIV. Your orator further states and alleges that defendant, knowing your orator's familiarity with all the details in the shoe sewing machines manufactured by it, and his skill in making inventions and improvements in such machines, and the great value of such improvements and inventions, induced your orator to enter into the contract of February 1, 1901, for the purpose of securing control of all such sewing machinery and inventions thereon by your orator and did the various acts and pursued the wrongful course hereinbefore set forth for the purpose of cheating and defrauding your orator out of all his just profits from such inventions.

XXV. That in furtherance of the said scheme to defraud your orator, the defendant has not in good faith prosecuted the various applications of your orator for patents with diligence, but has purposely delayed the same in the Patent Office, to wit: the application of January 20, 1903, was delayed untill July 2, 1912, a period of more than nine years, and the application of November 24,
17 1906, was delayed until May 8, 1912, and then by a fraudulent pretense was further delayed until May 26, 1914, being a period of eight years from application, and during all these years the defendant was embodying in its machines some of these various inventions of your orator, and making no report of such machines,

and paying no royalty thereon, as called for in said contract of February 1, 1901.

XXVI. Your orator charges that the typewritten paper filed in the Patent Office in Washington, the interference proceedings between your orator and the said Andrew Eppler No. 35033 entitled "Concession of Priority" and dated November 7, 1912, and purporting to bear the signature of your orator, was not knowingly signed by your orator. Your orator never saw said paper until it was shown to him in this year, 1915, at the Patent Office in Washington. Your orator never heard of such paper before, and was never asked to sign such paper by any one, and is ignorant as to when or how his signature was procured to same.

XXVII. Your orator charges that said paper is false in toto, and your orator denies that the said Andrew Eppler is the prior inventor of the claims in your orator's said application of November 24, 1906, or that your orator ever made such concession, and your orator asserts that he is the true and first inventor of said claims and entitled to the patent for same, and this was and is well known to this defendant.

XXVIII. Your orator further charges that in pursuance of this scheme to defraud, the defendant did on June 8, 1915, cause said patent No. 1,142,157 to be issued to the said "Andrew Eppler Assignor of United Shoe Machinery Co.," and in this way sought to prevent your orator from securing a re-issue of his said
18 patent of May 28, 1914, so as to embrace the said five claims which had been allowed him by the Patent Office on May 8, 1913, and intending by these fraudulent means to avoid paying your orator the royalties due him on all the machines disposed of by it during the years from 1903 up to the present time, and in furtherance of its general scheme to cheat and defraud your orator.

XXIX. Your orator further charges that the said patent to Andrew Eppler, assignor of defendant, dated June 8, 1915, is void, the same having been allowed in 1912, and not issued until June 8, 1915, and same has been taken out by defendant for the purpose of hindering, delaying and defrauding your orator.

XXX. Your orator further charges that in pursuance of its contract of February 1, 1901, defendant did forthwith proceed in the manufacture and lease of said shoe sewing machines described in said contract, and did from time to time make reports to your orator of same, and did make certain payments to him on such reports, which purported to be true and full statements of all said machines manufactured and leased by defendant. Your orator now charges that said reports were false and did not represent the true number of said machines which it has wholly failed to report to your orator, and has failed and refused to pay the royalty agreed to be paid your orator in said contract of February 1, 1901.

XXXI. Your orator charges that every shoe sewing machine which defendant has manufactured and disposed of since February 1, 1901, is the shoe sewing machine described in its contract with your orator of February 1, 1901, and on which it contracted
19 to pay your orator the royalty of thirty dollars per machine.

Wherefore your orator prays for judgment:

First. That the decision of the Patent Office in the interference proceedings No. 35,033, between your orator and the said Andrew Eppler, be declared void and set aside.

Second. That the withdrawal of the allowance to your orator on his application made in said Patent Office, dated July 1, 1912, be declared void and set aside. ,

Third. That your orator be adjudged entitled to a patent on his application filed November 24, 1906; and that a patent be directed to be issued to your orator as allowed on May 8, 1912, by the Commissioner of Patents.

Fourth. That the Patent No. 1,142,157, issued June 8, 1915, to Andrew Eppler, assignor of the United Shoe Machinery Company, be declared void.

Fifth. That an account be taken between your orator and the defendant in which defendant shall be charged with thirty dollars for every sh-e sewing machine disposed of by it since February 1, 1901, described in said contract of February 1, 1901, with your orator, and every shoe sewing machine disposed of by the defendant since February 1, 1901, which embodied any invention or improvement by your orator, or any invention or improvement described in any of the claims in your orator's application of November 24, 1906, as allowed by the Patent Office on May 8, 1912, and after being credited with the amounts heretofore paid your orator, this Court grant your orator a decree against the defendant for the balance so found due him on said account, with interest, and costs.

And your orator prays for general relief.

20 Your orator prays that defendant be required to answer specifically and show:

First. How many chain-stitch, welt and turn shoe sewing machines it has leased or otherwise disposed of from February 1, 1901, to July 1, 1901, and how many such machines it has disposed of each six months, from July 1, 1901, up to July 1, 1915.

21 May it please your Honors to grant your orator writ of subpoena issuing out of and under the seal of this Honorable Court, and directed to the said United Shoe Machinery Company, to be served on the said George F. Wolfe, at No. 39 Warren Street, New York City, New York, its duly designated agent, as required by law of this State, commanding it to appear and answer this bill of complaint (its oath being hereby waived as to said answer), and to perform and abide by all orders and decrees herein as to this Honorable Court shall seem just and proper.

And your orator will every pray.

KING & OSBORN,
Solicitors for Complainant,
165 *Broadway, New York City.*

UNITED STATES OF AMERICA,
Southern District of New York,
State and County of New York, ss:

Henry Briggs, being duly sworn, says: that he is the complainant in the above entitled action; that he has read the foregoing com-

plaint and knows the contents thereof; that the same is true of his own knowledge, except as to the matters therein stated on information and belief, and that as to those matters he believes it to be true.

HENRY BRIGGS.

Sworn to before me this 24th day of June, 1915.

[SEAL.[ALICE W. PARSONS,
Notary Public, Kings Co.

Cert. Filed in N. Y. Co.—161.

Filed Jun- 28, 1915.

22 District Court of the United States, Southern District of New York.

In Equity. No. 12-314.

HENRY BRIGGS, Plaintiff,
vs.
UNITED SHOE MACHINERY COMPANY, Defendant.

Appearance.

Please enter my appearance as solicitor and counsel for the defendant in the above-entitled case.

ALAN N. MANN,
5 Nassau Street, New York City.

Dated, July 19, 1915.

23 District Court of the United States, Southern District of New York.

In Equity. No. 12-314.

HENRY BRIGGS, Plaintiff,
vs.
UNITED SHOE MACHINERY COMPANY, Defendant.

Stipulation.

It is hereby stipulated and agreed that the motion hereto annexed and marked "Exhibit A" may be substituted for the motion filed July 19, and set for hearing on July 29, 1915, at 10:30 A. M. or as soon thereafter as counsel can be heard, and that the said substituted motion may be brought before the court on August 19, 1915, and that any requirement as to further notice thereof is waived.

It is further consented that the solicitors for the plaintiff or either of them may sign the bill of complaint with the same effect as if said bill had been so signed before the filing thereof.

KING & OSBORN,
Solicitors for Plaintiff.
ALAN N. MANN,
Solicitor for Defendant.

24 District Court of the United States for the Southern District of New York.

E. 12-314.

HENRY BRIGGS, Plaintiff,
against
UNITED SHOE MACHINERY COMPANY, Defendant.

Motion to Dismiss.

Now comes the defendant under Equity Rule 29 and moves this Honorable Court that the bill of complaint herein be dismissed:

First. Because it fails to comply with the requirements of Equity Rule 25 in that it does not contain "a short and plain statement of the grounds upon which the Court's jurisdiction depends."

Second. Because the plaintiff has not attached to the bill of complaint, or made profert of, the contract of February 1, 1901, referred to in said bill.

Third. Because the bill of complaint is not signed individually by one of the solicitors of record for the plaintiff as required by Equity Rule 24.

Fourth. Because this Court has no jurisdiction:

(*a*) Because there is no allegation that the parties are citizens of different states, but on the contrary, as set forth in the bill of complaint, the parties are both citizens of the State of New Jersey.

25 (*b*) Because there is no allegation, and it does not appear from the bill of complaint, that this suit is a suit arising under the patent or copyright laws of the United States, as required to give this Court jurisdiction under the provisions of Section 24 of the Judicial Code (36 Statutes at Large, p. 1091).

(1) Because there is no allegation in, nor does it appear from, the bill of complaint that this is a suit for infringement of Letters Patent of the United States, or that the defendant has a regular and established place of business in the Southern District of New York, or that it has committed acts of infringement within said District, all as required to give this Court jurisdiction under the provisions of Section 48 of the Judicial Code (36 Statutes at Large, p. 1100).

(2) Because the Commissioner of Patents has not been made a party hereto, and there is no allegation in the bill of complaint that the plaintiff has been refused a patent either by the Commissioner of Patents, or by the Supreme Court of the District of Columbia on appeal from the Commissioner as required to give this Court jurisdiction under Section 4915 of the Revised Sta-tes, and be-

26 cause the defendant is not a citizen or resident of the Southern District of New York, as required under the provisions of Section 51 of the Judicial Code (36 Statutes at Large, p. 1101) this Court — jurisdiction of suits arising under Section 4915 of the Revised Statutes.

(3) Because there is no allegation in, nor does it appear from the bill of complaint that the present suit involves interfering patents as required to give this Court jurisdiction under the provisions of Section 4918 of the Revised Statutes, and because the defendant is not a- inhabitant of the Southern District of New York, as required under the provisions of Section 51 of the Judicial Code 36 Statutes at Large p. 1101) to give this Court jurisdiction of suits arising under Section 4918 of the Revised Statutes.

Fifth. Because the bill does not state facts sufficient to constitute a valid cause of action in equity.

UNITED SHOE MACHINERY COMPANY,
By ALAN N. MANN, *Its Solicitor.*

27 United States District Court, Southern District of New York.

HENRY BRIGGS, Plaintiff,
against
UNITED SHOE MACHINERY COMPANY, Defendant.

Memorandum.

The bill, after alleging that wrongs were com-itted by defendant as against plaintiff, prays for judgment, (first) that the decision of the Patent Office in certain interference proceedings between plaintiff and one Eppler, be declared void and set aside; (second) that the withdrawal of the allowance to plaintiff on his application made in the Patent Office dated July 1, 1912, be declared void and set aside; (third) that it be adjudged that plaintiff is entitled to a patent on his application filed September 24, 1906 and that a patent be directed to be issued to plaintiff by the Commissioner of Patents; (fourth) that a certain patent to Eppler, assignor of defendant, be declared void, and (fifth) that an account be take*m* between plaintiff and defendant.

It is not necessary to set forth the thiry-one allegations of the bill because, as I read this pleading, the suit is one which amounts to an action for royalties and which seeks to have an issued patent declared void.

It is well settled that when the United States, acting through appropriate authority, has issued letters patent that such letters may be declared void because of fraud in obtaining the same
28 only in an appropriate proceeding begun at the instance of the Government itself.

It is also well settled that the Federal Courts have no jurisdiction in an action to recover royalties under a contract, by mere virtue of the nature of the action.

In the case at bar it appears on the face of the bill that plaintiff and defendant are both citizens of the State of New Jersey and, therefore, this court would not have jurisdiction unless the suit in question was one arising under the Patent Laws. An analysis of the bill demonstrates that this is not such a suit.

I think the foregoing is all that need be decided for the purposes of this motion; but if it is sought to bring this bill within the provisions of section 4915 or 4918, there are fatal defects which were pointed out by counsel on argument and which need not be elaborated in this memorandum.

Motion to dismiss is granted.

JULIUS M. MAYER,
District Judge.

August 20, 1915.

29 District Court of the United States, Southern District of New York.

In Equity. No. E. 12-314.

HENRY BRIGGS
vs.
UNITED SHOE MACHINERY COMPANY.

Final Decree.

This cause having come on to be heard August 19, 1915, on defendant's motion to dismiss, and counsel for both parties having been heard, now, upon consideration thereof, it is

Ordered, adjudged and decreed that the bill of complaint states no cause of action within the jurisdiction of this court and it is therefore further

Ordered, adjudged and decreed that the bill of complaint be dismissed and the same hereby is dismissed with costs to defendant.

Dated, Aug. 27, 1915.

J. M. MAYER,
United States District Judge.

No objection to the form of the above decree.
(S'd) KING & OSBORN,
Solicitors for Plaintiff.

Filed Aug. 27, 1915.

30 Copy.

District Court of the United States for the Southern District of New York.

HENRY BRIGGS, Complainant,
against
UNITED SHOE MANUFACTURING COMPANY, Defendant.

Assignment of Errors.

Now comes the Complainant in the above entitled cause and files the following assignment of errors upon which he will rely upon his

prosecution of the appeal in the above entitled cause from the decree made by this honorable court on the 27th day of August, 1915:

1. That the United States District Court for the Southern District of New York erred in dismissing the Bill herein.

2. That the United States District Court for the Southern District of New York erred in holding that the complaint herein stated no cause of action within the jurisdiction of the said court.

Wherefore the appellant prays that said decree be reversed and that said District Court for the Southern District of New York be ordered to enter a decree reversing the decision of the lower court in said cause.

KING & OSBORN,
By W. RUSSELL OSBORN,
Attorneys for Appellant.

31 District Court of the United States for the Southern District of New York.

Equity.

HENRY BRIGGS, Plaintiff,
against
UNITED SHOE MACHINERY COMPANY, Defendant.

To the Honorable Julius M. Mayer, District Judge:

The above named Henry Briggs feeling aggrieved by the decree rendered and entered in the above entitled cause on the 27" day of August, 1915, does hereby appeal from said decree to the Supreme Court of the United States, for the reason that by said decree, the Court has dismissed this cause on the ground that it had no jurisdiction thereof, and he prays that his appeal be allowed, and that citation be issued as provided by law, and that a transcript of the record proceedings and document upon which said decree was based, duly authenticated, be sent to the Supreme Court of the United States under the rules of such Court in such cases made and provided.

And your petitioner further prays that the proper order relating to the required security to be required of him be made.

KING & OSBORN,
Solicitors for Petitioner, Office and Post Office Address, 165 Broadway, Borough of Manhattan, New York City.

Appeal alowed upon giving bond as required by law for the sum of $250.00.

J. M. MAYER, *Judge.*

Filed Sept. 13, 1915.

32 District Court of the United States for the Southern District of New York.

Equity.

HENRY BRIGGS, Complainant,
against
UNITED SHOE MACHINERY COMPANY, Defendant.

To the Clerk of said Court:

You will please insert in the Record on Appeal in this cause the following documents:

Copy of:
Bill of Complaint,
Subpœna and marshal's return thereon,
Entrance of appearance by Solicitor for Defendant,
Amended motion to dismiss Bill of complaint,
Stipulation by Solicitors,
Decree,
Assignment of Errors,
Petition for Appeal to United States Supreme Court,
Allowance of Appeal to United States Supreme Court,
Certificate of Judge Mayer,
Citation,
Precipe as to Transcript of Record,
Opinion of Judge Mayer,
Dated, New York, September 13th, 1915.

KING & OSBORN,
Solicitors for Complainant, No. 165 Broadway, Borough of Manhattan, New York City.

Copy received.

ALAN N. MANN,
By W. E. McK.,
Solicitor for Defendant.

33 UNITED STATES OF AMERICA,
Southern District of New York, ss:

HENRY BRIGGS, Plaintiff-Appellant,
against
UNITED SHOE MACHINERY COMPANY, Defendant-Appellee.

I, Alexander Gilchrist, Jr., Clerk of the District Court of the United States of America for the Southern District of New York, do hereby Certify that the foregoing is a correct transcript of the record of the said District Court in the above-entitled matter as called for by Præcipe.

In testimony whereof, I have caused the seal of the said Court to

be hereunto affixed, at the City of New York, in the Southern District of New York, this 21st day of September, in the year of our Lord one thousand nine hundred and fifteen, and of the Independence of the said United States the one hundred and fortieth.

[Seal District Court of the United States, Southern District of N. Y.]

ALEX. GILCHRIST, JR., *Clerk.*

[United States internal revenue documentary stamp, series of 1914, ten cents, canceled 9/21/15. A. G., Jr.]

The cost for certifying the above record on appeal is $13.90.

ALEX. GILCHRIST, JR., *Clerk.*

Endorsed on cover: File No. 24,921. S. New York, D. C. U. S. Term No. 638. Harry Briggs, appellant, vs. United Shoe Machinery Company. Filed September 22, 1915. File No. 24,921.

Supreme Court of the United States

OCTOBER TERM, 1915.

HENRY BRIGGS, Complainant-Appellant, against UNITED SHOE MACHINERY COMPANY, Defendant-Appellee.	No. 638.

Appeal by complainant from the decree of the United States District Court, for the Southern District of New York, dismissing complainant's bill for want of jurisdiction.

BRIEF FOR APPELLANT.

Statement of Case.

This case was heard in the court below on the bill of complaint and motion to dismiss. The bill was dismissed for the "want of jurisdiction."

The certificate of the Judge shows the Court was of the opinion that the facts alleged in the bill did not constitute a case "arising under the patent right laws of the United States" and there being no diversity of citizenship the Court was without jurisdiction.

The question therefore is:

Is this a "case arising under the patent right laws of the United States"?

Statement of Facts.

Henry Briggs, the complainant, is an inventor. He had secured a patent for a "chain-stitch" in shoe sewing machines, which he sold to the Goodyear Shoe Sewing Machinery Company prior to 1900, and this company had for several years manufactured machines under this patent, known as "Goodyear Welt and Turn Shoe Sewing Machines" and they had an established reputation.

In 1900, Briggs filed two applications for improvements on this machine. While these applications were pending in the Patent Office, the Goodyear Company was absorbed by this defendant, and it, wishing to secure Briggs' improvements, entered into an agreement to purchase same, and "all other improvements to said machine" which he should make or invent. For this the defendant agreed to pay Briggs $10,000 in cash and to immediately begin the manufacture of said machines with his inventions and improvements to same, and to pay him a royalty of $30 per machine.

Complainant agreed to report to defendant any and all inventions or improvements by him applicable to this machine and defendant agreed and promised to cause *applications for patents* for such inventions, to be prepared by its patent attorneys, in the name of complainant, and which applications were to be signed and sworn to by complainant, and to be prosecuted by defendant with all due diligence, in the Patent Office, to procure letters patent on same, and it to pay all expenses attendant upon such proceedings. Briggs was to assign patents when obtained to defendant.

This agreement was to run during the life of the

patents granted on the *then pending* two applications.

Patents were issued on the two pending applications, October, 1901, and expire October, 1918. Defendant as agreed, paid the $10,000, and began the manufacture of these machines with the Briggs inventions, and paid royalties up to about 1910 and then ceased, on the ground that it is not using Briggs' patent any more.

In 1904-1905-1906, Briggs made additional improvements which he carried to defendant and same were tested and adopted and put in the machines, and on November 16, 1906, an application for patents on same was prepared by *defendant's patent attorneys* and signed and sworn to by Briggs. This application was filed November 24, 1906, by defendant's patent attorneys, and on May 8, 1912, was allowed by the Commissioner of Patents, and a letter sent to these patent attorneys addressed to Briggs notifying him of the allowance, and that upon the payment of $20 final fee the patent would be issued to him.

It is at this point that the fraud of defendant begins.

This letter from the Patent Commissioner, allowing the patent to Briggs was never delivered to him, and he was never informed of the allowance of this patent. The $20 final fee was not paid. The reason for this conduct appears later on.

On June , 1912, these patent attorneys wrote the Patent Office *to please withdraw the allowance of the patent to Briggs*, made on May 8, 1912, as *they had* another application pending in the name of Andrew Eppler which interfered with the Briggs application. This was done without the knowledge of Briggs.

The allowance to Briggs of May 8, 1912, was therefore withdrawn by the Commissioner on July 1, 1912, and an interference proceeding between Briggs and Eppler was started on July 16, 1912, in the Patent Office, known as No. 35033.

The Commissioner noticing that the same attorneys were representing Briggs and Eppler, wrote a letter to Briggs personally informing him of this fact. This letter was sent to a *wrong address* in Boston and was returned to the Commissioner. The Commissioner then, on August 1, 1912, wrote to these patent attorneys to furnish him *"in ten days"* with the true address of Briggs. The attorneys wrote back, to send the letter to Briggs, to their care, and that they would see that it reached him. The Commissioner did this and sent this letter addressed to Briggs, care of these attorneys.

Briggs never received this letter and never heard of it.

Some time after this, Briggs was informed of this interference proceeding in the Patent Office, by his attorneys, but they still concealed from him the fact that his patent had been allowed May 8, 1912, and at their request, called at their office and gave to their stenographer his preliminary statement which was reduced to typewriting and signed by him (and left with his attorneys to be filed in the "Interference Proceeding" in the Patent Office) in which he showed that he was the *prior inventor* of those claims and entitled to the patents.

This preliminary statement was never filed in the Patent Office.

Instead there was filed in the Interference Proceedings, a paper purporting to bear Briggs' signature as follows:

UNITED STATES PATENT OFFICE.

HENRY BRIGGS vs. ANDREW EPPLER.	Interference No. 35,083. Subject Matter Sewing Machines.

Concession of Priority.

Henry Briggs, the senior party to the above entitled interference, hereby concedes priority of invention of the subject matter, of all five counts involved in the above entitled interference, to Andrew Eppler, the junior party, and requests that judgment of priority of invention may be entered by the Patent Office in favor of said Eppler, and hereby waives appeal from such judgment.

(Signed) HENRY BRIGGS.

November 7, 1912.

This paper, the bill alleges, is a forgery, in that Briggs never knowingly signed it—never saw it before, and its statements are false in toto.

The patent was thereupon allowed to Andrew Eppler on December, 1912, for these *five interfering claims.*

On May 26, 1914, a patent was issued to Briggs for the remainder of his applications of November 24, 1906, after striking out his five claims allowed to Eppler. This was taken out by these attorneys who paid the $20 final fee without Briggs' knowledge.

Upon receiving this patent of May 26, 1914, denuded of the five most valuable claims in his application, Briggs discovered the frauds that had been perpetrated on him.

The first week in June, 1915, Briggs and his present solicitors examined the Patent Office records and found that no patent had been issued to Andrew Eppler on the five claims stricken from Briggs' application of November 24, 1906, and were preparing to open the case before the Commissioner, when, on June 8, 1915, these same patent attorneys procured a patent to be issued to this defendant *as assignee of the said Eppler,* thereby taking all power over the case away from the Commissioner.

The bill charges that Eppler is an employee of defendant and that any patent taken out in his name is for defendant's benefit, free from any royalty or other consideration.

In 1906, the defendant began the manufacture of machines with these improvements in them, embraced in the patent as allowed Briggs on May 8, 1912, and it had manufactured more than 2,000 such machines up to May, 1912, on which it would have to pay Briggs a royalty of $30 for each machine, amounting to more than $60,000 at that date, *if the patent* had been issued to Briggs.

This was, therefore, the motive for defrauding Briggs out of his patent.

Defendant has continued using these inventions of Briggs up to this day, and has manufactured more than 5,000 machines with these inventions, on which, if this patent had been issued to Briggs, it would owe him royalty to more than $150,000.

This, therefore, is the motive for this bold fraud on complainant.

Complainant's prayer for relief is:

FIRST.—That the decision in the interference proceedings No. 35,033 in the Patent Office, be declared void and set aside.

SECOND.—That the withdrawal of allowance of the patent to complainant on May 8, 1912, be declared void and set aside.

THIRD.—That complainant be adjudged entitled to a patent on his application filed November 24, 1906, as allowed May 8, 1912, by the Commissioner.

FOURTH.—That the patent No. 1,142,157, issued June 8, 1915, to Andrew Eppler, assignor of United Shoe Machinery Company, be declared void.

FIFTH.—That an account be then taken as to the royalties due complainant from defendant and for general relief.

Argument.

It is respectfully submitted that the facts set forth in complainant's bill constitute a "case arising under the Patent-right Laws of the United States," of which the Federal District Courts have *exclusive jurisdiction.*

1st. These facts show that on May 8th, 1912, the Commissioner of Patents allowed complainant Henry Briggs a patent on an application filed by him Nov. 24th, 1906.

2nd. That by the fraudulent conduct of his patent attorneys, who were acting in the interest of this defendant and paid by it, Briggs was wrongfully deprived of this patent.

3rd. That by the further fraudulent conduct of said patent attorneys, a patent was procured to be issued to one Andrew Eppler, assignor of this defendant, for the same claims, which were included in the Briggs application of Nov. 24th, 1906, and on which he had been allowed a patent by the Commissioner on May 8th, 1912.

4th. That by such fraudulent conduct this defendant has profited to the extent of more than $100,000, and this complainant Briggs has been defrauded of this amount.

5th. That said patent attorneys, acting in the interest of this defendant, on May 26th, 1914, wrongfully accepted a patent to complainant Briggs for the residue of his application filed Nov. 24th, 1906, without the knowledge or authority of said Briggs, and thereby took it out of the power of the Commissioner of Patents to reopen the proceedings and correct these wrongs. Complainant's only remedy thereafter being a resort to a Federal District Court having jurisdiction of the parties.

Complainant's prayers are *primarily* for relief from these fraudulent proceedings in the Patent Office.

Secondarily, for an accounting by defendant of the royalties due for the use of complainant's inventions since 1906 and for a decree for same.

It is not in the power of a State Court to grant such relief as prayed for in this bill.

United States Revised Statutes, §4915, provide for a Bill in Equity in the United States District

Court to obtain a patent, where an application for a patent has been *refused* by the Commissioner of Patents.

In this case the Commissioner had *allowed* the patent to complainant, but this allowance was *withdrawn* by the fraudulent conduct of complainant's patent attorneys.

A Court of Equity possibly can, if necessary, regard this order, *withdrawing* the allowance, as a *refusal* to grant a patent, as the order was obtained by fraud.

Complainant's patent attorneys also have, without Briggs' consent, *accepted* a patent for the remnant of the Briggs' application. Therefore there is no *application pending* in the Patent Office. This bill cannot, therefore, be strictly brought within the *letter* of §4915, although it is certainly within the *spirit* of it.

No appeal can be taken from the decision of the Patent Office to the Court of Appeals of the District of Columbia, as that Court could only act on the record as it is in the Patent Office. It could not inquire into any question of fraud not apparent in that record.

Where then, can this complainant Briggs go, to have these fraudulent proceedings in the Patent Office inquired into and set aside, save in the United States District Court?

The *judicial power* of the Courts of the United States is defined by Article 3 of the Constitution.

The jurisdiction of the District Courts is prescribed by the Judicial Code.

Their *original jurisdiction by* §24 extends to "all suits of a civil nature at common law, or in

equity," etc., Sub. §7, "suits under the patent, the copyright and the trade-mark laws."

Their *exclusive jurisdiction*, by §256, Sub. §5, "of all cases arising under the patent-right, or copyright laws of the United States."

This Honorable Court has declared the judicial department is invested with "all the judicial power" of this nation. It embraces all the controversies of a justiciable nature arising within the boundaries of the United States, save where expressly limited by the Constitution, or acts of Congress. In this it differs from the Legislative department, which has only such powers as are *expressly granted* by or necessarily *implied* from the Constitution.

> Kansas vs. Colorado, 206 U. S., 46, 51 L. Ed., 957.

Relying upon a maxim, hoary with age, "where there is a right, equity will find a remedy for a wrong thereto" we have come into the United States District Court sitting in equity for relief.

These Courts established under the Constitution of the United States and Acts of Congress, have all the *judicial power* of this nation, not expressly witheld. Their jurisdiction, powers, proceedings and practice are in accordance with those of the English Court of Chancery, as it existed in 1789, except as modified by Congress, or the rules of this Honorable Court. They are not governed by any rule or statute of any State in the Union. It is the only Court in the United States that maintains uniformity of procedure and practice throughout all the States.

The facts in this case make it a peculiar one, and we find no Act of Congress exactly fitted to it. Therefore, knowing the power and jurisdiction of these Federal District Courts of Equity, we feel confident it can hear this complaint and find the remedy for this wrong.

His Honor, in the Court below, was of the opinion that this was a "suit for royalties" only and, therefore, he had no jurisdiction.

There can be no royalty due Briggs until he can recover the patent out of which he has been defrauded by this defendant. The suit is, therefore, necessarily *for the patent first,* and when that is obtained the Court of Equity, having once assumed jurisdiction, will go forward and settle all the questions arising out of the case, though some of them be cognizable only in a Court of Law. This is elementary.

As to the power of Court of Equity to grant full and complete relief, where it has acquired jurisdiction for another purpose see

Siler vs. L. and N. Rd. Co., 213 U. S., 190-1;
Russell vs. Utica, 195 N. Y., 60-1.

We submit that this is "a case arising under the patent laws"; that it is a suit *primarily for a patent*, and that the Federal District Court has exclusive jurisdiction.

The decree should be reversed and the cause remanded.

As to Diversity of Citizenship.

This question is respectfully submitted.

Has not the defendant become a *citizen of New York* in the sense to give the Federal Courts jur-

isdiction, by its complying with §1780 of the New York Code?

In Smollick vs. Phil. & Rdg. Coal Co., 222 Fed., 148, it is held by Judge Hand that a citizen of New York can sue a foreign corporation in the Federal District Court for the Southern District of New York where it has complied with this statute.

This §1780 of the New York Code is now amended by Chapter 60, Statutes of 1913, so as to give a *non-resident* the right to sue such a foreign corporation in New York, "where a foreign corporation is doing business in New York."

Will this power include the Federal Courts in New York?

Respectfully submitted,

WILLIAM A. MILLIKEN,
Counsel for Appellant.

Office Supreme Court, U. S.
FILED
OCT 12 1915
JAMES D. MAHER
CLERK

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1915.

No. 638.

HENRY BRIGGS, Appellant-Plaintiff,

v.

UNITED SHOE MACHINERY COMPANY, Appellee-Defendant.

BRIEF FOR APPELLEE-DEFENDANT.

HORACE A. DODGE,
ALEX D. SALINGER,
Counsel for Appellee-Defendant.

L. H. LANE, Law Printer, 221 High Street, Boston.

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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1915.

No. 638.

HENRY BRIGGS, APPELLANT-PLAINTIFF,

v.

UNITED SHOE MACHINERY COMPANY,
APPELLEE-DEFENDANT.

BRIEF FOR APPELLEE-DEFENDANT.

STATEMENT OF THE CASE.

This case comes up from the District Court of the Southern District of New York under Section 238 of the Judicial Code, which provides for appeal directly to this Court, "in any case in which the jurisdiction of the court is in issue, in which case the question of jurisdiction alone shall be certified". In the present case, questions of jurisdiction have been certified to this Court by the learned judge of the District Court (p. 2), and we understand that the only questions which will here be considered are the particular questions of jurisdiction so certified.

The first of these questions is whether the Federal Courts have jurisdiction of so much of the bill of complaint as prays for an accounting of royalties under a contract relating to patents, *the parties both being citizens of the same State,* New Jersey.

The other question, which is hardly a question of jurisdiction at all, is whether the bill can be sustained as to

the prayer asking for the cancellation of defendant's Eppler patent on account of fraud in obtaining the same. If a private individual like plaintiff could bring such a suit, the Federal Courts would unquestionably have jurisdiction of the same, and the question raised by the bill really is whether plaintiff in this particular has stated a cause of action cognizable by any court.

Other questions arise on plaintiff's bill and the prayers for relief therein relating to the patent or claims which plaintiff alleges should have been granted to him. These questions are clearly not questions of jurisdiction at all, but involve a consideration of whether plaintiff has stated a case entitling him to relief under Sections 4915 or 4918 of the Revised Statutes, which provide for such matters. If plaintiff has stated such a case, the jurisdiction of the Federal Courts is unquestionable, and if he has failed to do so, his bill is defective simply upon this ground and not upon any ground of jurisdiction. Such questions as these, we understand, will not be considered by this Court upon this appeal, but they are discussed in the appellant's brief and out of due caution we shall deal with them briefly hereafter.

ANALYSIS OF THE BILL OF COMPLAINT.

The bill is very voluminous and confused in its allegations, but in general the allegations and prayers for relief may be grouped under two heads, namely, (1) an accounting for royalties under the contract of February 1, 1901, and (2) an attempt to cancel defendant's Eppler patent and to obtain the Eppler claims in a patent to plaintiff, because of alleged fraud by defendant in obtaining the Eppler patent and in handling plaintiff's application for patent filed November 24, 1906, which was in interference with the Eppler application in the Patent Office.

1. THE CONTRACT OF FEBRUARY 1, 1901.

The contract of February 1, 1901, is not produced by the plaintiff, but the bill alleges (Par. IV, p. 4) that on February 1, 1901, plaintiff had pending in the Patent Office two applications for patents, and that on that date he entered into a contract with the defendant whereby the defendant agreed to purchase the patents which should be granted on said applications and all patents for improvements on the machine thereof which plaintiff should thereafter invent or make. Under said contract defendant agreed to and did pay the plaintiff $10,000, and (Par. V, p. 5) "defendant further contracted, agreed and promised to forthwith proceed to manufacture and offer for sale or lease the said shoe-sewing machines *described in the two applications then pending in the Patent Office* (and for which patents were subsequently issued October 15, 1901), with certain of the inventions or improvements made to the same, by your orator, embodied therein, for and during the entire life of the latest of said patents to expire, to wit, until October 15, 1918, and *to pay your orator a royalty of thirty dollars for each machine manufactured and sold, leased or otherwise disposed of* during the entire life of said patents".

The contract further provided (Par. VII) that defendant should file applications for patents for all inventions and improvements applicable to said machine, "*such Letters Patent to be assigned by your orator to the defendant*".

The bill (Par. X) further shows the filing of later applications in accordance with the contract and particularly the application of November 24, 1906.

The prayer of the bill with respect to this contract is (Fifth prayer, p. 12), that defendant be required to account to plaintiff for royalties claimed to be due under this contract, plaintiff asking not only for the royalty of thirty

dollars per machine on all machines embodying the inventions of the 1901 applications, but also for the same royalty on all machines embodying any invention or improvement described and claimed in the application of November 24, 1906, as originally allowed by the Patent Office.

It will be apparent from the above consideration of the allegations of the bill as to the contract, that there is absolutely no warrant therein for a claim of thirty dollars per machine for machines embodying any invention or improvement in the application of November 24, 1906, such as is made in the fifth prayer of the bill and in appellant's brief, the bill merely stating that later applications for improvements were to be assigned to plaintiff, without indicating that there was to be any additional consideration therefor, and the fact is that the contract specifically provides that such assignment should be *"without further consideration to be paid"* plaintiff, as would have appeared if plaintiff had made profert of the contract as he should have done. The true situation is that plaintiff under the contract has no equitable interest in this later application and patent, and therefore his allegation that he has been defrauded out of it, or part of it, by this defendant, who really owned the application, falls to the ground completely. Plaintiff's claim for thirty dollars a machine as royalty under this later improvement application, clearly involves an attempt to repudiate his contract.

But be this as it may, this prayer for relief is simply an attempt to recover royalties under a contract relating to patents, whether the prayer be limited to the 1901 applications, or be considered as including also the 1906 improvement application.

2. The Eppler Patent and Plaintiff's 1906 Application.

On this branch of the case the allegations are that defendant fraudulently caused the allowance of five claims in plaintiff's 1906 application to be withdrawn and the claims to be thrown into interference with defendant's inventor Eppler, which interference was decided by the Patent Office in favor of Eppler, in view of a written concession of priority to him signed by plaintiff, but which plaintiff now alleges that he did not knowingly sign; and the prayers of the bill are (Fourth) that the Eppler patent be declared void, (First) that the interference proceeding be declared void and set aside, (Second) that the withdrawal of the allowance of plaintiff's five claims in his 1906 application be declared void and set aside, and (Third) that a patent be directed to issue to plaintiff with the five claims, as originally allowed by the Patent Office.

As to the allegations of fraud we may say once for all that they are absolutely unfounded, for, as we have already pointed out, under the contract this 1906 application belonged absolutely to defendant without the payment of any further consideration to plaintiff, as is sufficiently indicated by the bill itself and specifically stated in the contract, so that plaintiff had no real interest in the question as to which application the five disputed claims should appear in, his or Eppler's, nor did defendant have any interest in the matter other than to have the claims appear in the application of the one who was in fact the original and first inventor.

But be this as it may, the question raised by the certificate of the lower court is, assuming the allegations of fraud in obtaining the Eppler patent to be well founded, whether this furnishes any basis for a suit by a private individual to cancel or declare void the Eppler patent,

except as provided in Section 4918 of the Revised Statutes, which question hardly seems to be one of jurisdiction.

The relief asked for looking toward the issuance to plaintiff of a patent with the five claims originally allowed in his 1906 application, merely raises the question whether plaintiff has stated a case under Section 4915 or Section 4918 of the Revised Statutes, which sections prescribe how suits may be brought in the Federal Courts to obtain a patent or cancel an interfering patent. Such questions were proper ones for the court below and were there considered, but we do not understand them to be before this Court upon this appeal, although they are discussed here in appellant's brief.

CASES ON JURISDICTION IN SUIT FOR ROYALTIES.

With respect to so much of the bill as seeks an accounting for royalties under the contract of February 1, 1901, this is clearly a matter of which the Federal Courts have no jurisdiction, where, as here, there is no diversity of citizenship, as has long been settled by the decisions of this Court. It is unnecessary to cite these decisions at length and we refer to but a few of them.

As was stated by this Court in the case of *Excelsior Wooden Pipe Co.* v. *Pacific Bridge Co.*, 185 U. S. 282, 285:

> "The rule is well settled that, if the suit be brought to enforce or set aside a contract, though such contract be connected with a patent, it is not a suit under the patent laws, and jurisdiction of the Circuit Court can only be maintained upon the ground of diversity of citizenship."

The Court cites many authorities upon the subject, among others the case of *Albright* v. *Teas*, 106 U. S. 613, which is practically on all fours with the present case.

In *Albright* v. *Teas*, the Court said (p. 616) : —

> " It is clear, from an inspection of the bill and answers, that the case is founded upon the agreement in writing between the appellee and the appellants Albright and Cahoone, by which the former, for a consideration therein specified, transferred to the latter his interest in certain letters-patent. The suit was brought to recover the consideration for this transfer, and was not based on the letters-patent."

Plaintiff contended that the evidence showed that the case involved questions of construction and scope of the patent, inasmuch as the issue was whether the machines defendant had made were within the patent, and therefore within the contract. The Court said (p. 617) : —

> " The appellee, before the commencement of the suit, sold and transferred to Albright and Cahoone all his title and interest in the inventions covered by his patents. The transfer was absolute and unconditional. No right, therefore, secured to the appellee in the patent by any act of Congress remained in him. He had no right to prosecute any one for infringements of his patents, or to demand damages therefor, or an account of profits.
>
> " He was entitled to the royalties secured by his contract, and nothing more." . . .

(Page 618 :)

> " The suit, notwithstanding the collateral inquiry, still remains a suit on the contract to recover royalties, and not a suit upon the letters-patent. It arises solely upon the contract, and not upon the patent laws of the United States."

The court therefore held that it had no jurisdiction, since the parties were citizens of the same State.

It is evident that the present case is just such a case as *Albright* v. *Teas*, which, as it seems to us, completely disposes of the principal, if not the sole, question before this Court upon the present appeal.

CASES ON CANCELLATION OF PATENT.

As was long ago decided by this Court in *Mowry* v. *Whitney*, 14 Wall. 434, 439: —

> "No one but the government, either in its own name or the name of its appropriate officer, or by some form of proceeding which gives official assurance of the sanction of the proper authority, can institute judicial proceedings for the purpose of vacating or rescinding the patent which the government has issued to an individual, except in the cases provided for in section sixteen of the Act of July 4th, 1836."

Section 16 of the Act of July 4, 1836, here referred to, corresponds to present Section 4918 of the Revised Statutes, about which we shall have a word to say hereafter.

The case of *Mowry* v. *Whitney* was discussed and approved in *United States* v. *Bell Telephone Company*, 128 U. S. 315, 368, where the court pointed out the reasons why a suit to cancel a patent for fraud should be brought by the United States instead of by a private individual. See also *United States* v. *American Bell Telephone Company*, 159 U. S. 548, 555.

OTHER POINTS CONSIDERED BELOW.

The only other point raised by the bill is whether plaintiff has stated a case entitling him to a trial in the lower court of the question whether he should be granted a patent with the five claims which went to Eppler. (First, Second and Third prayers.) As already stated, we do not suppose that this point will be considered by this Court. It was considered in the court below, where it was a proper question for determination. As to it, Judge Mayer says in his opinion (p. 16): "If it is sought to bring this bill within the provisions of Section 4915 or 4918, there are fatal defects which were pointed out by counsel on argument and which need not be elaborated in this memorandum." We here again point out these "fatal defects", since the appellant's brief still argues that plaintiff is entitled to relief of this kind.

The circumstances and conditions under which a party may bring a suit to correct the action of the Patent Office with respect to the granting or refusing of a patent are definitely fixed by statute, namely, Sections 4915 and 4918 of the Revised Statutes. Plaintiff, in order to obtain the relief for which he prays in his First, Second and Third prayers, must bring himself within one of these sections. Otherwise he has absolutely no standing in a suit for relief of this kind.

1. SECTION 4915 REVISED STATUTES.

The material portions of Section 4915 read as follows:

> "Whenever a patent *on application is refused, either by the Commissioner of Patents or by the Supreme Court of the District of Columbia upon appeal from the Commissioner, the applicant* may have remedy by bill in equity; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such *appli-*

> *cant* is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of *the applicant*, shall authorize the Commissioner to issue such patent on the *applicant* filing in the Patent Office a copy of the adjudication, and otherwise complying with the requirements of law."

It is obvious that in order to state a case under this section, plaintiff must at least allege that he has an application for patent pending, and that his application has been refused "either by the Commissioner of Patents or by the Supreme Court of the District of Columbia upon appeal from the Commissioner". (As a matter of fact he must now allege that he has been refused a patent by the Court of Appeals of the District of Columbia, as we shall point out presently.) No such allegations have been made in the bill of complaint. On the contrary, it appears therefrom (Par. XX) that *a patent* on the application of November 24, 1906, instead of being refused by the Commissioner, or anyone else, *has actually been issued to the plaintiff.* Plaintiff is no longer an applicant for a patent and, so far as appears, has no application pending for the subject-matter of the issued patent. At any rate there is no allegation in the bill that "a patent *on application*" has been refused.

The allegations of the bill are, in substance, that plaintiff has been granted his patent, but that through the action of his attorneys he failed to get all the claims to which he was entitled. It is obvious that plaintiff has been refused nothing, either by the Commissioner or by the Court of Appeals of the District of Columbia, and he therefore clearly has no case under Section 4915.

Moreover, it would not have been sufficient for the

plaintiff to have alleged that he had been refused a patent by the Commissioner. Under the well-settled law it is necessary for a bill under Section 4915 to allege that plaintiff has appealed to the Court of Appeals of the District of Columbia and has been refused a patent by that tribunal.

Section 4915 was passed at a time when the Supreme Court of the District of Columbia had final jurisdiction of *ex parte* applications for patents, whereas the Commissioner had final jurisdiction of interference controversies. This accounts for the wording of Section 4915, which was held to require an appeal to the Supreme Court of the District of Columbia, in the one case, and to the Commissioner in the other case (the court of last resort in each case), before action could be brought under Section 4915.

Kirk v. *Commissioner,* 37 O. G. 451.
Smith v. *Muller,* 75 Fed. Rep. 612, 615.

By the Act of February 9, 1893, the Court of Appeals of the District of Columbia was established and appeals from the Commissioner of Patents were transferred from the Supreme Court of the District of Columbia to said Court of Appeals; and an appeal was given from the decision of the Commissioner in interferences to said Court of Appeals. Since said Act it has been uniformly held that in any bill brought under Section 4915 it must be alleged that the plaintiff has appealed to the Court of Appeals of the District of Columbia and has been refused a patent after such an appeal.

In *Smith* v. *Muller,* 75 Fed. Rep. 612, 615, a suit under Section 4915, the Court (Judge Wales) said:—

> "It was held in *Kirk* v. *Commissioner, supra,* that an applicant for a patent in an *ex parte* case was not entitled to redress by bill in equity until he had exhausted the remedy by appeal as provided in section

4911, and it is urged on behalf of the demurrants that the same rule of construction applies to the law as now amended or altered, and that the plaintiff cannot prosecute his suit in this Court until he has first appealed to the Court of Appeals of the District of Columbia, and exhausted his remedy there. This construction of the law appears to be reasonable."

The Court upon this ground sustained the defendant's demurrer to the bill of complaint.

In *McKnight* v. *Metal Volatilization Co.*, 128 Fed. Rep. 51, 53, the Court (Judge McPherson), referring to the situation before the creation of the Court of Appeals of the District of Columbia by the Act of 1893, said:—

"An appeal to the Supreme Court of the District in any other case than a case of interference was therefore compulsory, if it was desired to resort to the equity jurisdiction of the Circuit Court."

Then referring to said Act of 1893, the Court said:—

"Its effect upon section 4915 was to substitute the Court of Appeals for the Supreme Court of the District, and practically to strike out the words 'either by the Commissioner of Patents', for his decision was no longer final even in interference cases, and there was apparently no reason why the rule of *Kirk* v. *Commissioner* should not be held to apply to such cases also, and to compel the applicant to exhaust his new remedy as well as the old. It was so decided not long afterward by Judge Wales, of this circuit, in *Smith* v. *Muller* (C. C.) 75 Fed. 612, and in accordance with these two decisions it is settled that every applicant in either class of cases who may be dissatisfied with the decision of the commissioner is obliged to pursue his remedy in the court of the District of

> Columbia. If he is successful there, he will have no occasion to invoke the remedy by bill in equity in a Circuit Court, but, if the Court of Appeals decides against him, he is then entitled to bring his action in the appropriate circuit under section 4915."

See to the same effect *Prindle* v. *Brown*, 136 Fed. Rep. 616, 617 (Judge Lowell), in which a demurrer to a cross bill under Section 4915 was sustained and the cross bill dismissed, because of the failure of the cross bill to allege an appeal to the Court of Appeals of the District of Columbia.

It is apparent, therefore, that even if the bill of complaint in the present case had alleged refusal of a patent by the Commissioner, the bill would still have been fatally defective for failure to allege appeal to the Court of Appeals of the District of Columbia.

2. SECTION 4918 REVISED STATUTES.

The material portion of Section 4918 reads as follows:

> "*Whenever there are interfering patents, any person interested in any one of them*, or in the working of the invention claimed under either of them, may have relief against the interfering patentee, and all parties interested under him, by suit in equity against the owners of the interfering patent; and the court, on notice to adverse parties, and other due proceedings had according to the course of equity, may adjudge and declare either of the patents void in whole or in part, or inoperative, or invalid in any particular part of the United States, according to the interest of the parties in the patent or the invention patented."

It is obvious that, in order to state a case under this section, plaintiff must at least allege that the patents

involved interfere, which, under the well settled law, means that they both contain claims for the same subject-matter.

Here there is no allegation in the bill of complaint that the Eppler patent and the plaintiff's patent based upon his application of November 24, 1906, are interfering patents, or that they claim the same subject-matter. On the contrary, the bill itself shows that the two patents are not interfering patents within the meaning of Section 4918, distinctly pointing out (Par. XX) that "the five claims which were alleged to interfere with Eppler's said application had been stricken out" of plaintiff's application and a patent issued for the remaining claims. In fact, plaintiff's patent issued to him only because it no longer interfered with Eppler.

It is plain, therefore, that the two patents in question are not interfering patents within the meaning of Section 4918, and the bill of complaint nowhere attempts to make any allegation that they are interfering patents.

The law is well established as to what constitute interfering patents in order to give a basis for a suit under Section 4918.

In *Boston Pneumatic Power Company* v. *Eureka Patents Co.*, 139 Fed. Rep. 29, 30 (Judge Lowell), the matter is well stated and the various authorities on the subject cited, as follows:—

> "Generally it has been held that section 4918 gives the court jurisdiction only to determine the question of priority between *interfering claims;* that is to say, between claims *substantially identical.* As was said by Judge Colt in *Nathan Manufacturing Company* v. *Craig* (C. C.), 49 Fed. 370:
>
> "'The invention which a man patents is that which he claims, and patents do not interfere unless they

claim the same invention in whole or in part. Upon suits brought under this section, it has, therefore, been repeatedly held, until it has become well-settled law, that *two patents interfere, within the meaning of this section, only when they claim, in whole or in part, the same invention.'*

" ' The complainant's position seems to be that in a bill of this character the court may go outside and beyond the claims of the interfering patents, and consider generally the two inventions or structures, taken as a whole; and complainants cite as an authority upon this point the case of *Garrett* v. *Seibert*, 98 U. S. 75, 25 L. Ed. 84. In that case, however, the answer did not deny, but rather admitted, an interference of the patents, and it is therefore not an authority against the general doctrine which the courts have laid down upon this point. *Gold & Silver Ore Company* v. *U. S. Ore Company*, Fed. Cas. No. 5,508.'

" See *Pentlarge* v. *Pentlarge* (C. C.), 19 Fed. 817; *Lockwood* v. *Cleveland*, 20 Fed. 164; *Sawyer* v. *Massey* (C. C.), 25 Fed. 144; *Am. Clay Bird Company* v. *Ligowski Clay Pigeon Company* (C. C.), 31 Fed. 466; *Elec. Accum. Company* v. *Brush El. Company* (C. C.), 44 Fed. 602; *Stonemetz Printers' Company* v. *Brown Folding Company* (C. C.), 57 Fed. 601; *Dederick* v. *Fox* (C. C.) 56 Fed. 714.

" In *Palmer Pneumatic Tire Company* v. *Lozier*, 90 Fed. 732, 33 C. C. A. 255, the Circuit Court of Appeals for the Sixth Circuit discussed most of these cases, and sought to overrule many of them by holding that the court has jurisdiction to examine the validity of the patents in question apart from priority of invention. *But even that court did not extend the jurisdiction given by section 4918 beyond controversies between identical claims.*"

The Court found the claims of the two patents were not "substantially identical" and therefore sustained defendant's plea and dismissed the bill.

In *Simplex Railway Appliance Company* v. *Wands*, 115 Fed. Rep. 517, 520 (C. C. A. 8th Cir.), the Court said:—

> "Counsel for the respective parties agree upon the following propositions, which are well established by authority, namely: That upon a bill of this character, filed under section 4918 of the Revised Statutes of the United States, the first question to be determined is whether the patents involved are interfering patents, since the right to relief is grounded on the fact of interference; that patents do not interfere, within the meaning of the patent law, unless the claims of the respective patents, or some of them, cover the same mechanical device or combination; that it is the claim of a patent, and the claim only, when properly construed, which determines the thing patented; and that it may happen that the structure described in one patent will infringe the claims of another patent, although the patents are not interfering patents, within the meaning of the statute. *Gold & Silver Ore Separating Co.* v. *United States Disintegrating Ore Co.*, 6 Blatchf. 307, 10 Fed. Cas. 539 (No. 5,508); *Manufacturing Co.* v. *Craig*, (C.C.) 49 Fed. 370, and cases there cited."

In *Donner* v. *American Sheet and Tin Plate Company*, 160 Fed. Rep. 971, the Court (Judge Archbald) said:—

> "So far as the bill proceeds for the cancellation of the alleged interfering claims of the Bray patent, it is clear that it cannot be sustained. To make out a case under section 4918 of the Revised Statutes (U. S. Comp. St. 1901, p. 3394), where this is provided for, there must be actual conflict and not mere infringe-

ment. *Gold Ore Separating Co.* v. *United States Disintegrating Co.*, 6 Blatchf. 307, Fed. Cas. No. 5,508; *Mfg. Co.* v. *Craig* (C.C.) 49 Fed. 370. Otherwise, whenever a defendant justified under a patent, and was found to infringe, a cancellation could be ordered, even though the infringing patent was for a valuable improvement, which, subject to the principal invention, the patentee had a perfect right to maintain. It has therefore been held that the interference, authorizing a cancellation, does not exist between a patent, having a dominant, broad, claim, and a later one, having a subordinate, specific claim. *Stonemetz Machinery Co.* v. *Brown Machine Co.*, (C. C.) 57 Fed. 601; *Brown Co.* v. *Stonemetz Mach. Co.*, 58 Fed. 571, 7 C. C. A. 374. Nor, unless the claims in controversy cover the same mechanical construction or device. *Simplex Railway Appliance Co.* v *Wands*, 115 Fed. 517, 53 C. C. A. 171. *And in determining whether there is an interference within the meaning of the statute, the court cannot go beyond the claims as to which this is charged, so as to consider the patent as a whole. Mfg. Co.* v. *Craig*, (C. C.) 49 Fed, 370. *Stonemetz Machinery Co.* v. *Brown Machine Co.*, (C. C.) 57 Fed. 601."

The bill in the present case does not attempt to allege that the patents are interfering, and it is clear upon the above authorities that it could not so allege.

Moreover, plaintiff is not a "person interested" in the patent issued to him on his application of November 24, 1906, within the meaning of Section 4918. He agreed to assign this application and patent to the defendant without further consideration, as hereinbefore pointed out, and he has no equitable interest whatever in said patent, and no standing in a court of equity as a plaintiff in a suit under Section 4918.

There is very little in the plaintiff's brief requiring reply, as the brief nowhere adequately meets any of the propositions discussed above. In fact, the brief admits (p. 11) that, "the facts in this case make it a peculiar one, and we find no Act of Congress exactly fitted to it"; and it goes on to suggest that the plaintiff can put upon the Court the onus to "hear this complaint, and find the remedy for this wrong".

Plaintiff's final argument seems to be that he has no remedy for his alleged wrong except in the Federal Courts, the brief inquiring (p. 9), "Where then, can this complainant Briggs go, to have these fraudulent proceedings in the Patent Office inquired into and set aside, save in the United States District Court"?

If we assume, contrary to fact, that there has been such a wrong to plaintiff as he alleges, whereby he has been deprived of patent claims which belong to him, the place where plaintiff should go for relief in the first instance is plain enough. He should go to the Commissioner of Patents and ask for the claims of which he has been deprived, either in a new application or in an application for reissue of his granted patent. Then if the Commissioner and the Court of Appeals for the District of Columbia refuse him his patent, he has his remedy in the Federal Courts under Section 4915; and he has no remedy in said courts under this section or otherwise until he has pursued this course. For the plaintiff to come into court in the present state of affairs, asking the court to set aside Patent Office proceedings and to order a patent to issue to the plaintiff, without any application for such patent pending before the Patent Office, and without any opportunity having been given to the Patent Office to pass upon the ques-

tions involved, is, we submit, without precedent and contrary to legal principles and the dictates of common sense.

We respectfully submit that the decision of the lower court should be affirmed.

HORACE A. DODGE,
ALEX D. SALINGER,
Counsel for Appellee-Defendant.

BRIGGS *v.* UNITED SHOE MACHINERY COMPANY.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

No. 638. Submitted October 12, 1915.—Decided November 1, 1915.

A suit for royalties reserved upon the sale of a patent right is not a suit arising under the patent laws and the District Court does not have jurisdiction on that ground.

The bill in this case does not present a case in equity within §§ 4915 or 4918, Rev. Stat.

The general powers of the Federal courts when sitting as courts of equity can only be exerted in cases otherwise within the jurisdiction of those courts as defined by Congress.

Only the United States can maintain a bill for the annulment of a patent on the ground of its procurement by fraud.

THE facts, which involve the jurisdiction of the District Court of the United States in cases arising under the patent laws, are stated in the opinion.

Mr. William A. Milliken for appellant.

Mr. Horace A. Dodge and *Mr. Alex. D. Salinger* for appellee.

Memorandum opinion by MR. JUSTICE VAN DEVANTER, by direction of the court.

Whether this suit between citizens of the same State is one arising under the patent laws is the only question presented by this direct appeal under Jud. Code, § 238. The District Court gave a negative answer to the question and dismissed the suit for want of jurisdiction.

The bill shows that its dominant and ultimate object is to enforce payment of royalties reserved to the plaintiff by a contract whereby he sold to the defendant certain existing and contemplated patents for improvements in shoe-sewing machines, and that to clear the way for a recovery of all the royalties claimed it seeks the annulment of a patent for such an improvement issued to Andrew Eppler after the contract and then assigned to the defendant, and also an adjudication that the plaintiff is entitled to a patent for the improvement covered by the Eppler patent.

A suit for royalties reserved upon the sale of a patent right is not a suit arising under the patent laws. This is settled by repeated decisions. *Albright* v. *Teas,* 106 U. S. 613; *Excelsior Wooden Pipe Co.* v. *Pacific Bridge Co.,* 185 U. S. 282, 285; *Geneva Furniture Co.* v. *Karpen,* 238 U. S. 254, 259, and cases cited.

While the patent laws (Rev. Stat., §§ 4915, 4918) permit an applicant for a patent whose application has been refused by the Commissioner of Patents, or by the Court of Appeals[1] of the District of Columbia upon appeal from the Commissioner, to establish his right to receive a patent by a suit in equity, and also permit a patentee to maintain a suit in equity against the owner of an inter-

[1] See § 9, act February 9, 1893, c. 74, 27 Stat. 434.

fering patent to annul the latter, the present bill falls so far short of presenting a case within either section that it reasonably cannot be said to invoke the application of either. Recognizing that this is so, counsel for the plaintiff in his brief not only frankly concedes that he finds no statute in point, but endeavors to maintain the jurisdiction of the District Court by a reference to the general powers of Federal courts when sitting as courts of equity, evidently forgetting that such powers can be exerted only in cases otherwise within the jurisdiction of those courts as defined by Congress.

Some stress is laid in the brief upon portions of the bill charging fraud in the procurement of the Eppler patent, but as only the United States can maintain a bill to annul the patent on that ground (*Mowry* v. *Whitney*, 14 Wall. 434; *United States* v. *Bell Telephone Co.*, 128 U. S. 315, 368; *United States* v. *American Bell Telephone Co.*, 159 U. S. 548, 555) these allegations cannot affect the solution of the question of jurisdiction here presented.

Our conclusion is that this is not a suit arising under the patent laws.

Decree affirmed.